

ROBERT DUTTON
Vice Chair

ELAINE ALQUIST
DAVE COGDILL
TOM HARMAN
CHRISTINE KEHOE
ALAN LOWENTHAL
MIKE MACHADO
BOB MARGETT
ALEX PADILLA
GLORIA ROMERO
JACK SCOTT
DARRELL STEINBERG
MARK WYLAND

California State Senate

COMMITTEE
ON
BUDGET AND FISCAL REVIEW

ROOM 5019, STATE CAPITOL
SACRAMENTO, CA 95814

**SENATOR
DENISE MORENO DUCHENY
CHAIR**

STAFF DIRECTOR
DANIEL ALVAREZ

CONSULTANTS
BRIAN ANNIS
KEELY MARTIN BOSLER
KIM CONNOR
EILEEN CUBANSKI
BRYAN EHLERS
AMY SUPINGER
DIANE VAN MAREN
SEIJA VIRTANEN

COMMITTEE ASSISTANTS
GLENDA HIGGINS
ROSE MORRIS

(916) 651-4103
FAX (916) 323-8386



Agenda

**April 24, 2008
Room 4203**

9:30 a.m. or Upon Adjournment of Session

I. Budget Recap and Update:

- Ms. Liz Hill, Legislative Analyst or representative

II. Update Reports by Subcommittee Chairs:

- Subcommittee # 1 – Senator Jack Scott
- Subcommittee # 2 – Senator Alan Lowenthal
- Subcommittee # 3 – Senator Elaine Alquist
- Subcommittee # 4 – Senator Mike Machado

III. Miscellaneous Items

- Discussion on Possible Program Eliminations, Suspensions, and Consolidations

I. Budget Recap and Update

The Legislative Analyst will provide the full Committee with a recap of the budget problem as identified by the administration, implications of actions taken in the special session, and any relevant insights and perspectives.

II. Update Reports by Subcommittee Chairs

The Chair has requested that Subcommittee Chairs provide status reports of major items of discussion and deliberation in order to keep the full Committee informed:

- Subcommittee #1 – Education
Senator Jack Scott
- Subcommittee #2 – Resources, Environmental Protection, and Energy
Senator Alan Lowenthal
- Subcommittee #3 – Health, Human Services, Labor and Veterans Affairs
Senator Elaine Alquist
- Subcommittee #4 – State Administration, General Government, Judicial Branch,
Public Safety, Criminal Justice, and Transportation
Senator Mike Machado

III. Miscellaneous Items

In prior full committee hearings, the Chair has requested lists of possible programs that could be eliminated, suspended, or consolidated. The LAO has provided such a list as part of their “Alternative Budget” (see Tab A). The LAO is prepared to discuss the various issues from their Alternative budget.

In addition, the subcommittees have had discussion on some possible programs or commissions that could be eliminated, suspended, or consolidated (see Tab B).

LAO Alternative Budget: Program Eliminations, Suspensions, and Consolidations

(General Fund in Millions, Scored from Governor's Workload Budget)

| Dept | Policy Area Code | Issue | 2008-09 |
|-----------------|------------------|--|---------|
| K-14 | 6110 | Proposition 98 — Eliminate Physical Education Incentive Grants. | \$41.8 |
| K-14 | 6110 | Proposition 98 — Eliminate School Safety Consolidated Competitive Grant program. | 18.1 |
| K-14 | 6110 | Proposition 98 — Eliminate corrective action component of High Priority Schools program. | 6.0 |
| K-14 | 6110 | Proposition 98 — Phase out Year Round Schools program. | 19.0 |
| K-14 | 6110 | Proposition 98 — Suspend <i>Quality Education Investment Act</i> . | 450.0 |
| K-14 | 6110 | K-12 Education — Consolidate 43 individual K-12 funding streams totaling \$42 billion into a base funding grant and three block grants. | 0.0 |
| K-14 | 6870 | Community Colleges — Combine ten categorical programs into two block grants. | 0.0 |
| Health | 4200 | Department of Alcohol and Drug Programs — Eliminate funding for the California Methamphetamine Initiative in the budget year. | 9.6 |
| Health | 4260 | Department of Health Care Services (DHCS)/Medi-Cal — Adopt Governor's budget-balancing reduction to discontinue payments for Medicare Part B premiums for beneficiaries who have share of cost requirements. | 65.5 |
| Health | 4260 | DHCS/ Medi-Cal — Delay implementation of SB 437 pilot program for two years. | 18.5 |
| Health | 4260 | DHCS/Medi-Cal — Allow the HIV/AIDS Pharmacy Pilot program to sunset. | 2.7 |
| Health | 4280 | MRMIB/Healthy Families Program (HFP) — Delay implementation of SB 437. | 2.7 |
| Health | 4266 | Department of Public Health — Consolidate four programs into a health prevention services block grant. | 0.0 |
| Social Services | 5180 | Welfare Automation — Cancel Interim Statewide Automated Welfare System Migration computer project. | 44.0 |
| Social Services | 5180 | Child Welfare Services — Do not implement disclosure of sibling contact information. Repeal Chapter 386, Statutes of 2006, (AB 2488, Leno). | 1.2 |
| Social Services | 4170 | Aging — Delete state level support for Senior Legal Hotline. | 0.3 |
| Crim Justice | 9210 | Local Government Financing/Citizens' Option for Public Safety (COPS) — Eliminate the COPS program. | 119.0 |
| Crim Justice | 9210, 5225 | Local Government Financing and California Department of Corrections and Rehabilitation (CDCR)/Juvenile Justice — Consolidate the Juvenile Justice Crime Prevention Act and Juvenile Probation and Camps Funding programs. | 16.0 |
| Crim Justice | 9210 | Local Government Financing/Small and Rural Sheriffs Grants — Eliminate the grant program. | 18.5 |

LAO Alternative Budget: Program Eliminations, Suspensions, and Consolidations

(General Fund in Millions, Scored from Governor's Workload Budget)

| Policy Area | Dept Code | Issue | 2008-09 |
|--------------|------------|--|----------------|
| Crim Justice | 9210 | Local Government Financing/Local Detention Facility Subventions — Eliminate the subventions. | 35.0 |
| Crim Justice | 5225 | CDCR/Mentally Ill Offender Crime Reduction (MIOCR) — Eliminate General Fund support for the MIOCR program, as other funding sources are available. | 45.0 |
| Crim Justice | 0690, 0820 | Office of Emergency Services (OES) and Department of Justice/Vertical Prosecution — Consolidate the Vertical Prosecution and Spousal Abuser Prosecution programs. | 0.2 |
| Crim Justice | 0690 | OES/Sexual Assault Felony Enforcement (SAFE) — Eliminate General Fund support for the SAFE program. | 5.7 |
| Crim Justice | 0690 | OES/Gang Violence Suppression Multi-Component (CVSMC) — Eliminate General Fund support for the CVSMC program. | 1.8 |
| Crim Justice | 0690 | OES/Multi-Agency Gang Enforcement Consortium (MAGEC) — Eliminate General Fund support for the MAGEC program. | 0.1 |
| Gen Govt | 0650 | Office of Planning and Research (OPR)/Cesar Chavez Grants — Suspend program funding. | 5.0 |
| Gen Govt | 0650 | OPR/California Volunteer Matching Network — Do not renew funding. | 0.8 |
| Gen Govt | 8885 | Commission on State Mandates (CSM)/Animal Adoption Mandate — Repeal mandate and pay prior year claims over time. | 10.0 |
| Gen Govt | 9100 | Tax Relief/Williamson Act — Phase out subventions. | 3.9 |
| | | | \$940.4 |

Senate Budget Subcommittees Have or Are Scheduled to Discuss the Following Programs / Commissions

Options for Program Eliminations, Suspensions, and Consolidations

(in Millions, Scored from Governor's Workload Budget)

| Program Area | Sub # | Issue | 2008-09 |
|--------------|-------|---|---------|
| Education | 0558 | 1 <i>Office of the Secretary of Education</i> -- Scheduled for April 29. | \$1.0 |
| | | | |
| BTH | 0520 | 4 <i>Secretary for Business, Transportation and Housing</i> - Eliminate Office of Military Base Retention and Reuse. Heard on April 23. | 0.5 |
| | | | |
| Health | 4260 | 3 <i>Department of Health Care Services / Medi-Cal</i> - Suspend implementation of SB 437, pilot program. Scheduled for April 28. | 15.3 |
| | | | |
| Health | 4260 | 3 <i>DHCS / Medi-Cal</i> - Sunset of HIV/AIDS Pharmacy Pilot. Heard on April 14. | 2.7 |
| | | | |
| Higher Ed | 6420 | 1 <i>California Postsecondary Education Commission (CPEC)</i> — Eliminate General Fund support. Heard on April 8. | 2.0 |
| | | | |
| Local Govt | 8180 | 4 <i>Costs of Homicide Trials</i> - Minimize General Fund for this program. Heard April 10. | 2.5 |
| | | | |
| Gen Govt | 8770 | 2 <i>Electrical Oversight Board</i> - Eliminate the program. The budget provides no General Fund support for this program. | N/A |
| | | | |
| Gen Govt | 8780 | 4 <i>Little Hoover Commission</i> - Eliminate commission. Heard March 24. | 1.0 |
| | | | |
| Gen Govt | 8820 | 4 <i>Commission on the Status of Women</i> — Eliminate commission. Heard March 24. | 2.0 |
| | | | |